# GOVERNMENT OF INDIA
# WATER RESOURCES
# LOK SABHA

UNSTARRED QUESTION NO:4454
ANSWERED ON:22.04.2002
PENDING IRRIGATION PROJECTS
VAIKO

**Will the Minister of WATER RESOURCES be pleased to state:**

(a) whether the attention of the Government has been drawn to the news-item captioned "Low returns force private sector to desert irrigation projects" appearing in the Economic Times dated March 24, 2002;

(b) if so, the facts and details thereof;

(c) whether Rs. 1,80,000 crores are required to complete major and medium irrigation projects in the next decade;

(d) if so, whether private sector is unenthusiastic about investing in this sector due to low returns;

(e) if so, whether some projects are languishing for lack of funds; and

(f) if so, the steps proposed by the Government to complete the projects as scheduled?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SMT. BIJOYA CHAKRAVARTY)

(a) to (c) Yes, sir. As per the news item, Rs. 1,80,000 crores are required to complete major and medium irrigation projects in the next decade and the Private Sector is unenthusiastic about investing in the sector due to poor returns. However, Working Group on Major and Medium Irrigation Programmefor the Xth Five Year Plan, set up bythe Planning Commissionhas estimated that Rs. 71,062 crores would be required to complete all the Ongoing Major/Medium/ERM Projects spilling over into X Plan.

(d) Participation of Private Sector in irrigation systems isan extremely complex subject for which no single policy can be appropriate for all cases in a vast developing country like India. However, half of the irrigation potential created so far in the country has been achieved by harnessing ground water resources. About 90% of ground water development has been through farmers initiatives and self funded through National Bank for Agriculture and Rural Development (NABARD) and other co-operative BanksMajor and Medium Irrigation projects involve very large investments but low returns to the Government, which has hitherto been the investor, due to low water rates. As such, no private investor is coming forward as returns on such large investments are not commensurate with the risks involved.

(e) 146 Major, 205 Medium and 53 ERM Projects startedin VIII or previous Plans have spilled over into X Plan mainly due to thin spreading of allocated resources.

(f) Concerned with such large number of projects spilling over into IX Plan, the Central Government launched Accelerated Irrigation Benefits Programme (AIBP)during 1996-97 for accelerating implementation of ongoing irrigation/multi-purpose projects on which substantial progress has been made and which are beyond the resources capability of the State Governments and for other major and medium irrigation projects which are in advanced stage of construction and could yield irrigation benefits in next four agricultural seasons. Till March, 2002, Rs. 8480 crores has been released for 149 major & medium projects and about 2450 minor irrigation schemes. 2 0 major & medium projects have been reported by the State Governmentsas having been completed under the programme.